Yuejin Li

Master's thesis

The Role and Development of Grassroots NGOs in Eastern China

NTNU – Trondheim
Norwegian University of
Science and Technology

Yuejin Li

The Role and Development of Grassroots NGOs in Eastern China

Master's thesis in Globalization

Trondheim, Spring 2012

NTNU – Trondheim
Norwegian University of
Science and Technology

Yuejin Li

The Role and Development of Grassroots NGOs in Eastern China

MSc in Globalization: Global Politics and Culture

Norwegian University of Science and Technology – NTNU

Faculty of Social Sciences and Technology Management

Department of Geography

Trondheim, May 2012

DEDICATION

This work is a special dedication to my dad and mum, Xuezi Li and Ye Huang. It is to show my profound appreciation for their love and care towards their three children, including me. I hope all the best in their lives.

ACKNOWLEDGEMENT

ABSTRACT

The rapid development of the market economy has confronted China with a diversity of social changes in the public management and governance structure. NGOs make up for the lack of national capacity, providing a platform where citizens can participate in social development, in order to achieve harmonious coexistence between the state and civil society. Grassroots NGOs play an increasingly important role in the development of civil society. In this context, the development of grassroots public interest through NGOs targeting specific groups has caught the attention of the public.

This study uses civil society as a framework and explores the development of grassroots NGOs. It examines key factors and breakthrough points in the development of grassroots NGOs now and in future points of time.

The study concerns three classic representatives of this kind of organization: Loving Home, Green Stone and The Grassroots Home. The issues facing these individual organizations are in many ways representative of the larger issues facing grassroots NGOs in China. The study further examines the case of Xinyuan, a grassroots NGO in Eastern China. Based on observation and interviews, I find that its development is subject to the existing system similar to other NGOs. At the same time, its development has taken on a unique identity of its own. The Xinyuan's way enables grassroots NGOs to build their own development track: I analyze how this NGO interacts with its surroundings – the Chinese system and society – from the perspective of an NGO worker and in the theoretical framework of civil society. In addition to sharing features with other NGOs, I find that this organization has a distinct personality and identity of its own. This study will serve as a reference platform for future researches into Chinese grassroots NGOs.

Table of content:

LIST OF FIGURES

Figure 1: China Map

CHAPTER ONE

INTRODUCTION

1.1 Overview

This study concerns civil society in China and the development of grassroots non-governmental organizations （NGOs） in Eastern China. I focus specifically on the development of grassroots NGOs in contemporary Chinese society. Eastern China developed earlier than the interior of the Chinese mainland. In many ways, it is in a better economic shape than any other part of China. The economic situation has resulted in a more open environment for the development of grassroots NGOs. One's immediate assumption is that the grassroots NGOs from Eastern China should have developed very well in this hospitable (relatively speaking) environment. However, the answer proves disappointing. The reasons for this are many. I find that the problem lies not only with external factors, i.e. the Chinese society and system, but also in the operations of the NGOs themselves. Looking at a map of China, most people would pay attention to Beijing, Guangdong province and Yunnan province where many active NGOs are located.

Some scholars will concern themselves with organizations in Shanghai, though more often than not this concern is not the case. This is why NGOs from Eastern China interested me the most. I collected my data from the Eastern Region of China. This includes Shanghai, Nanjing, Hangzhou and Xuzhou. In the beginning, I use an event in Nanjing as a springboard for a more involved analysis of the situation in Chinese society. I then take a look at some common problems that grassroots NGOs face in contemporary China. The organizations I study are Loving Home in Shanghai, Green Stone in Nanjing and Grassroots Home in Hangzhou. The case of Xinyuan a

grassroots NGO from Xuzhou in Jiangsu is analyzed in more detail. This is an organization that works well under the conditions in present China. I analyze Xinyuan's operations, to see whether it is an example that could be followed by other similar organizations in Eastern China.

1.2 The Chinese Context

Rapid economic development and increased social conflict leads to government misrule and market misconduct. In the 1980s, the concept of "good governance" (*liangzhi* in Chinese) became popularized in Western countries. As the base of civil society, good governance here refers to non-state organizations and relations beyond the government and market. The importance of civil organizations lies in its force to achieve social democracy. From the 1990s onwards, grassroots NGOs started appearing in force, in many cases taking care of those who government activities did not cover. In many Western countries, NGOs have steadily gained size and influence. In contemporary China, no such development has taken place.

Events in recent years have shown evidence of an awakening of sorts with regards to the civil consciousness in China. In this study, I use the example of the Nanjing Event to illustrate the current status of civil society in China. Nowadays, social reform in China is necessary – urgently so – in order to break the government's monopoly on power and influence. It is the only way for China to achieve modern civil society and guarantee its stability and harmony.

In order to establish a civil society, China needs mature grassroots NGOs to be founded and developed. Several obstacles prevent this from happening. These include poor management, social ignorance, and government interference. The latter in particular proves to be one of the most persistent and detrimental factors influencing NGO development in China, with direct government interference not only in an NGO's operations but also its management. Even though the government has realized

that NGOs play an important role in the establishment of civil society, it is still wary of allowing unrestricted development of non-government activity. For this reason, many laws and regulations are made to restrict the legal statues and activities of NGOs. Moreover, Chinese society has no history of citizenship awareness and community independence. It is thus extremely difficult for NGOs without legal recognition to earn trust in society at large. However, experiences in other countries show that these problems can be solved through the withdrawal of government and the NGOs themselves effecting change within their organization. The earlier government is willing to withdraw from the management of NGOs, the better NGOs are able to develop**.**

1.3 Why Eastern China

Figure 2: Map of China (Eastern China highlighted in red).

Eastern China is a geographical and a loosely defined cultural region that covers the Eastern coastal area of China. Although an intangible and loosely defined concept, for

administrative and governmental purposes, the region is defined by the government of the People's Republic of China to include the provinces of (in alphabetical order) Anhui, parts of Fujian, Jiangsu, Jiangxi, Shandong and Zhejiang, as well as the municipality of Shanghai.

The most developed region is the Eastern coastal zone. About 41% of the total populations live in the Eastern coastal zone, about 36% live in the middle zone, and about 23% live in the Western zone. The proportion of gross domestic product (GDP) in the Eastern, middle, and Western zones shifted from 52.5%, 31.0%, and 16.5%, respectively, in 1973 to 58.5%, 27.4%, and 14.1%, respectively. In 1994, GDP per capita increased by 10.5 times in the Eastern zone, by 8.2 times in the middle zone, and by 8.0 times in the Western zone to 5352 yuan, 2878 yuan, and 2320 yuan, respectively (China Statistics Yearbooks 1994). Nationally, per capita income among urban households was 3179 yuan in 1994. In the Eastern coastal zone only two provinces were below the national average: Liaoning with 2750.73 yuan/capita and Hebei with 2906.42 yuan/capita. Only 2 of 18 provinces in the middle and Western zones had per capita urban income above the national average. From these data, we learn that Eastern China is most developed region in China.

Although Eastern China has achieved economic prosperity through its phenomenal growth, the growth of NGOs is yet to be taken seriously there. More attention tends to be paid to areas like Beijing, Guangdong Province and Yunnan Province, where NGOs are thriving, relatively speaking, under their local conditions. However, few NGOers will pay as much attention to Shanghai as they do to Beijing, Guangdong and Yunnan.

The present status of NGOs in Eastern China is hard to describe, because there seems to be no typical organizations that are representative of the development of Grassroots NGOs. In my opinion, good NGOs do exist in Eastern China, but they have failed to achieve wide recognition or studied in-depth. In the prosperous Yangtze Delta area,

NGO operations are quite unique compared with those in other areas, and take place under conditions such as active interactions among service agencies. NGOs in Eastern China, however, deserve to be recognized as important parts of the history of NGOs in China.

1.4 Research Problem

What are the main obstacles to the development of grassroots NGOs in China? This is what the present research will try to unravel. This work will first and foremost address this question. It also tries to find out whether examples of best practices exist where many obstacles to the development of grassroots NGOs are overcome. The operation model of Xinyuan is taken as a case in this regard.

The research question for the thesis will be answered by use of qualitative methods of research. The main source of data will be in-depth interviews from four grassroots organizations and the case study.

1.5 Reader's Guide

This work is organized into six chapters. The first chapter starts the thesis with overviews to the field of civil society in China and how is grassroots NGOs work in Eastern China. Why I choose Eastern China as my study area, the problem, the research question of the thesis are stated and answered for in subsequent chapters. The second chapter is aimed at providing the theoretical disposition of the thesis. It looks specifically at the definitions, concepts and current state of civil society and NGOs in China. Then, it shows the main theoretical approach of the thesis. The third chapter discusses in detail the methodological procedure used in collecting data. The chapter

further explains and justifies the method used and its trustworthiness. The fourth and fifth chapters are mainly presenting and analyzing the data. There, five common dilemmas will be identified (Chapter Five) and the case of Xinyuan is studied in-depth (Chapter Six). The aim of the analysis part is to provide the basis and a foundation stone to answer the research question. The last chapter is a summary of main results and presents the limitations and recommendations for future research.

CHARPTER TWO

THEORY AND LITERATURE

2.1 Introduction

As Silverman states (1994), without theory, there will be nothing to research. The significance of theory in social science research cannot be contested. It provides the background and the framework for understanding social research (Bryman 2008). But even though the researcher should make use of theory in his research, he should also exercise care in its application: No one universal theory suits all research in social science.

This thesis is no exception from this rule. However, we start with an example of how people mobilize in present-day China. Using this as a starting point, this chapter then describes the history and definition of civil society and the situation in Chinese society, drawing on the relationship between civil society and grassroots NGOs. I start by:

2.2 Civil Society in China

2.2.1 Background

In early March of 2011, the Nanjing Government announced their intention to construct two new lines on the City Metro, Line 3 and Line 10. Though otherwise uncontroversial, the new subway lines would have one significant future casualty: The

city's crop of *Platanus x acerifolia*, also known as the London planetree, would have to be cut down or transplanted elsewhere. Experience indicated that most of these stately trees, many of which were over a hundred years old, would not survive the experience. In fact, the survival rate of transplanted trees was estimated to be less than 20%.

Shortly thereafter a group of Nanjing citizens started protesting for the protection of the London plane. On the 9th of March, pictures of government workers moving trees were taken and sent via microblogs to Huang Jianxiang, a famous TV personality in Nanjing. These microblogs were subsequently retweeted a large number of times. A group calling for the saving of the planetrees set up on the microblog service had around 20,000 followers after a short time. Five days later, Nanjing households organized a voluntary demonstration protesting the transplantation of planetrees along Zhongshandong Road.

As the conflict exacerbated, Qiu Yi, a Taiwanese media personality and KMT legislator, stated that he would present the proposal to preserve the trees himself if the Nanjing government did not stop. The following two days, the Nanjing government did nothing in response. Qiu Yi eventually put forward his proposal for preserving the trees at a KMT meeting. The Association for Relations Across the Taiwan Strait (ARATS) was asked to act as a go-between.

On March 17th, the situation had changed somewhat. The Taiwan Affairs Office of the PRC State Council said that they believed the government in Nanjing city would deal with this event appropriately. More than thousand people subsequently gathered in front of the library to protest the government transplanting the planetrees. When the decision was changed to cutting down the trees altogether, conflicts emerged between protesters and police. The following day, the plans to transplant or cut down the trees were brought to halt, and the city government said that they would listen to people's demands and improve the metro construction project.

Had these events taken place two decades ago, following the 1989 massacre in Beijing, no one would have been able to stop the city government's decision. Protests would have been more or less ineffective, and undoubtedly subject to merciless crackdowns by local police and central authority. As we are seeing now, the Chinese government has, despite its strongly authoritarian and undemocratic nature, once again started to listen more closely to the *vox populi*. In turn, more and more Chinese citizens are becoming aware of their rights, and the tools by which they can protect them and make their voice heard in the government.

2.2.2 Civil Society

The concept of civil society originates from the Western age of enlightenment. Theories concerning civil society mainly describe it as a space independent of country or religion, including the area constituting non-governmental political participation, as well as family life, economical activities and cultural activities (Held 1987).

As Michael Büsgen (2006) recounts, the definition of civil society has been subject to constant change over the years. There are many different - largely normative - interpretations and no commonly agreed-upon definition. Some features are nonetheless widely reflected in the numerous existing definitions: The general characteristics of civil society are 1) A 'space' or 'arena' in which associations and relations form independently of the state and 2) A market for the sake of public action and debate, based on public interests, values, rights and needs. This highlights two different aspects of civil society: The relational aspect (independence of civil society actors from the state) and the functional aspect (promoting public participation based on the principle of pluralism of actors) (Büsgen 2006, 8)

Ordinary citizens could not reasonably be expected to give certain definitions of nebulous concepts like civil society. Even scholars have struggled to find such an

onerous definition. While people can easily agree with and accept ideas like democracy, co-operation, peace and civil society, when it comes to specific issues, opinions diverge greatly and intellectual battles begin. The most consequential distinction among civil society scholars is whether economic actors should be included in civil society. In a Hegelian's（2007）view, civil society covers the whole sphere between the state and family. As shorthand we speak of the "society minus the state"; egoism as well as individuality have their own places here. This view not only includes the economy, which follows imperatives of profit maximization instead of general interests but also "uncivil" parts of society that deny or destroy common causes. (Katsui and Wamai 2006). Political scientists have profoundly considered the rise of a solid middle class a favorable social condition for democratization (Lucian 1991). The Chinese political development can be defined as which stage of civil society China remains.

This conflicts with those who connect civil society with civility. Cohen and Arato (1992) had "normative interaction and open-ended communication" together with conscious association and self-organization as the defining characteristics of civil society. They follow Jurgen Habermas (1998) who relates communicative interaction within the public sphere with civil society. Republicans such as de Tocqueville regard associations of citizens as a safeguard against the state. Again others, e.g., Gramsci, see it as the sphere of ideological competition of hegemony distinct from political society, the economy and the family (Katsui and Wamai 2006).

The specific roles of civil society are highly contested and have different underlying ideological agendas. Jude Howell and Jenny Pearce (2001) have developed a framework, which suggests a continuum of two contrasting views on civil society between a so-called 'mainstream approach' and an 'alternative approach'. The mainstream approach pictures civil society as largely non-confrontational in nature and as a mechanism which replaces state service-delivery in the context of the neo-liberal structural adjustment programs (SAPs). The alternative view suggests a

more confrontational role for civil society, which is in turn seen as a response to growing inequality and exploitation, a response aimed at redirecting global development trends.

While value-driven, autonomous NGOs are generally seen as the formal institutional component of civil society (Kocka 2003), the existence of non-governmental organizations (NGOs) should not be equated with the existence of a civil society. An increasing trend with NGOs in many parts of the world, is that they move towards becoming more like state- and donor- dependent service delivery mechanisms. This has led several authors to question the contribution of NGOs towards civil society in terms of building citizenship and promoting pluralism (Edwards and Hulme 1996b).

In the past, when Chinese scholars mentioned the concept of civil society, they often used it to refer to an informally structured network of NGOs with a loose relationship to the party-state. Jean-Philippe Beja (2004) points out that this concept is quite different from the combative structure which developed in Poland in the 1970s, in Czechoslovakia in the 1980s and, to a certain degree, in China during the first decade of reforms (1979-1989). Furthermore, the associations developing in today's China do not play the same roles as the ones that emerged in Eastern Europe and 1980s China.

In other words, the development of such a 'civil society' does not mean that the Chinese regime is becoming more democratic, or that the evolution of China follows a pattern similar to that of Eastern Europe (Lu and Fewsmith 2008, 8). China is experiencing dramatic change, but the manner in which it is changing and that which it is progressing towards is radically different from the Eastern European nations after the end of the Cold War.

According to Jude Howell and Jenny Pearce (2001), civil society in China has been described by analysts as "'non-existent', 'incomplete' or at best 'in-the-making', despite the vibrant growth of the associational sector. This reluctance to recognize the

existence of a genuine civil society is primarily based on the claim that potential civil society actors in China, like NGOs, are lacking independence and distance from the state. They are therefore not seen as having the 'political function of civil society with a critical eye on both state and market'.

In the light of the highly normative nature of the concept of civil society, one wonders about the relevance of a debate over whether or not a civil society exists in China.

2.2.3 The Situation of Chinese's Society: Pre-civil Society in China

In 1979, following the harrowing reign of Mao Zedong and the terrors of the Cultural Revolution, China finally began its vaunted policy of Reform and Opening-up. As would be expected, most people at this point in time focused on the immediate needs of economic development. Few people, if any, were aware of the concept "civil society", what it meant or what it should mean to them. As I describe in this thesis, this has started to change, but the speed and the manner by which it is changing is unique to China and not at all like other nations that would seem natural as points of comparison (i.e. Eastern Europe).

The earliest attempts to understand Chinese institutions and practices appeared in the mid-1880s (Rowe 1984). Simultaneously, China scholars in the West were increasingly interested in whether "civil society" was emerging in Mainland China in the late 1980s as evident in the student democratic movement at the time (Ma 2006). The dramatic changes in Eastern Europe, the 1989 student democratic movement, and the Western conceptions of civil society sparked a heated debate among Chinese intellectuals.

In the last decade, the term civil society was widely used by many Western and Chinese observers. The meaning of civil society in Western countries is different from

the Chinese society, but Chinese reality is very different from the Eastern European. Whereas the latter had more to do with strategy, the concept in China is now essentially and closer to the Anglo Saxon definition developed in the 1990s, which civil society designates non-governmental organizations. Especially, in the last few years, many political scientists have devoted themselves to the compilation of exhaustive lists of NGOs in China (Lu and Fewsmith 2008). I believe civil society in China, referring to an informally structured network of NGOs that have a loose relation with the party-state, is radically different from that of other nations, and is closely related with the development of non-government organizations.

The Nanjing event is fascinating not because the citizens achieved their goal – preserving the trees – but because their methods and manners of action took place outside the Chinese political system. It represents, in my view, a rare, spontaneous awakening of civil consciousness. This brings to mind the words of the late Deng Xiaoping, who himself remarked that "by establishing civil society (*gongmin shehui*) we mean not only political modernization (*zhengzhi gaige*), but establishing a true civil society" (Deng 1994, p. 25).

We've discussed the concept of civil society and how it is perceived among Western scholars. How, then, do Chinese scholars view it? Here, as with their Western brethren, no easy answer can be given. Their highly divergent opinions show that the complex nature of civil society makes it just as hard to achieve consensus on the concept in Chinese academic circles as in Western ones.

According to Ma Qiusha, professor at Oberlin College, Scholars have played an important role in China's political and social reforms. Qiusha (2006) contends that at various points in time, their debates have constituted important theoretical challenges to Chinese Communist Party (CCP) ideological taboos. The exchange of opinions among Chinese and international scholars and interaction between Chinese intellectuals and NGO practitioners, has led to the rise of new civic associations with

missions such as promoting civil society and the rule of law in China.

Zhu Jianggang, a Chinese Academy of Social Sciences, Beijing (CASS) scholar of some reknown, disagrees and finds that China is still in the pre-civil-society state (Zhu 2004). He points out that emerging grassroots NGOs still struggle with a myriad of problems, such as their legal status, a lack of human resources and funds, and the need for credibility and popularity. One could consider here the work of Habermas, who explores the work of grassroots NGOs in establishing norms and regulations, devising development strategies, and setting up their organizational framework. Habermas contends that the public space constituted by non-governmental organizations has become a core of civil society (Jürgen 1989). Indeed, the very lack of such a core, the very lack of a civil society in a Western sense, might actually be a key reason for why China cannot in effect change its political society (Wasserstorm 1994). A widely held opinion is that civil society has never existed as an independent part of Chinese society.

Jiangang's view (2004) may reflect a common disillusionment with post-reform China among Chinese intellectuals. In the 1980s throughout the beginning of the 1990s, a strengthening of civil consciousness was observed in China. This was especially true among educated Chinese, of whom many held out hope of establishing a democratic system. The spirit of reform reached its apex during the Tian'anmen student protests of 1989, which unfortunately also put an effective end to the support of such reformist positions within the CCP. Former chairman Zhao Ziyang, the most powerful and most visible member of the reformist fraction, was impeached following the June 4th massacre and put under house arrest until his death in 2005. A crackdown on private businesses followed, and according to economist Huang Yasheng, the introduction of a corrupt development model favoring state-owned businesses in the cities, to the detriment of rural China, the chief benefactor of the economic reforms up to that point (Huang 2008) emerged. Having seen their dreams of a democratic China crushed under the heel of state machinery, many intellectuals instead chose to become

increasingly disillusioned with the past, present and future of Chinese society.

The author finds that the definition of civil society must necessarily depend on the nation's situation and individual characteristics. Assessing Chinese society only through the Western experience is grossly inappropriate. However, I do agree that grassroots NGOs are an important part of the development of civil society. And if the CCP, per the wishes of Deng Xiaoping, wants to establish a true civil society in China, some facets of power at the very least will have to be transmitted to non-governmental organizations such as the ones I describe in this thesis. Civil society is the antithesis of the state versus society, which means society should not only be independent from the state, but also serve a more decisive and essential role than the state (Ma 2006). When it comes to civil society and the state, I would like to cite Engels' famous passage: "The state, the political order, is the subordinate, and civil society, the realm of economic relations, the decisive element." And also, "it is not the state which conditions and regulates civil society, but it is civil society which conditions and regulates the State" (Engels 1973a and 1973b).

2.3 NGOs in China

NGO is what Kees Biekart (1999) calls a 'container concept'. The term 'NGO' itself is essentially useless for capturing what an NGO actually is, since it only describes what it is not. Ian Smilie (1995) has quite aptly pointed toward the inherent shortcoming of this terminology: "It is commonly held that defining something in negative terminology is both inappropriate and unimaginative". The NGO term was first seen in the Charter of United Nations, 1945. The NGO in the modern sense is generally considered to have appeared during World War II. The term NGO came to China officially in 1995 during the Fourth World Conference on Women in Beijing. In accordance with international practice, the international NGO Forum was also held at the same time. It was then that the concept of the NGO was presented to the

Chinese people. The appearance of the NGO in China not only brought the application and form of such organizations to China, but also a fresh perspective from which to reassess the relationship between the state and the nation's civil society.

While there is no commonly accepted definition of what constitutes an NGO, there are three key features which are generally used to identify one: 1) Its private nature (autonomy from the state/ self-governance), 2) Its not-for-profit nature, and 3) Some form of public benefit/interest derived from their activities (Busgen 2006).

Salamon Lester's (1997) definition is the most widely accepted internationally. He identifies five characteristics: organized, non-governmental, non-profit, autonomous and voluntary. Among these five characteristics, non-governmental and non-profit are recognized as the basic features of the NGO. Non-governmental feature refers to a NGOs spontaneous formation in society and its independent operation in or outside the government system. By non-profit we refer to the difference between NGOs and for-profit organizations (companies, corporations) operating in the market economy.

If we only use Western standards and definitions to assess it, it is difficult to appreciate fully the development of Chinese civil society. One option is to take a less strict, more heterodox approach to assess the development of NGOs and civil society in China. Using this approach, we can regard an organization as an NGO if it meets some of the following basic conditions: 1) That it is independent from the government system, 2) That it does not operate for profit, 3) That it operates with varying degrees of independence and autonomy, 4) That it performs voluntary public service as a formal organization (Jia 2006).

Although the term "non-governmental organization" is already widely used in China, the official term currently conveys the notion of an NGO as a 'popular organization' (*minjian zuzhi*). Popular organizations further contain three categories: social organizations (*shehui tuanti* or *shetuan*); private non-enterprise units (*minban feiqiye*

16

danwei) and foundations (*jijinhui*). Social organizations are officially defined as non-profit organizations formed voluntarily by Chinese citizens in order to realize the shared objectives of their members and which carry out activities according to their charters' (State council 199a). Private non-enterprise units (PNEUs) are defined as 'non-profit social service organizations set up by enterprises, service units, social organizations, other social forces, or individual citizens using non-state assets' (State Council 1998b). The main difference between social organizations and PNEUs is that the former is a membership organization, whereas the latter is not (Lu 2009).

Chinese researchers and NGO practitioners generally divide NGOs into two broad categories, according to their institutional roots: 'officially-organised' (*guanban*) or 'top-down' (*zi shang er xia*) NGOs and 'popular' (*minban*) or 'bottom-up' (*zi xia er shang*) (Lu 2005). The former are initiated by the government and receive government subsidies. Their staffs are often on government payrolls, and government officials usually hold the leadership positions. In stark contrast we find individual citizens initiating 'popular NGOs', who receive no government subsidies and do not have government employees (Busgen 2006).

The NGOs in this study all belong to a category of grassroots NGOs which have been independently and voluntarily set up, are based on the values of their members, and are non-profit organizations. Despite these shared traits, their formal registration status differs, with some being formally registered as an NGO under the Ministry of Civil Affairs (MOCA), whereas others are registered as secondary organizations directly under another organization (FON), as commercial enterprise (BGV), or are entirely unregistered (GV, GRN).

2.4 Civil Society and Grassroots NGOs

There are numerous ways of referring to civil society and its activities. For example, we find organizational concepts like non-governmental organizations (NGO),

non-profit organizations, private voluntary organizations, civil society organizations and agency-related concepts like voluntary or civic action and civic engagement. Busgen finds that in the global civil society and development discourse, the term NGO is often used to describe citizen organizations. The usage of NGO terminology stresses an organizational structure, often in an international context but sometimes, in particular in development, also service delivery. Its counterpart is government, thus there is often a focus on advocacy. A feature of NGOs is their high level of professionalization visible in paid staff and an activity as alternative policy consultants. Related is the concept of non-profit organizations that stresses service delivery and has business as its counterpart. Voluntary action and civic activity, again, connote to activities regardless of their organizational context. (Busgen 2006)

In the case of China, two major theories have been developed in the Western academic literature to explain how an NGO-sector emerged after the 1980s. All of them deal with the same dilemma: How to "simultaneously acknowledge the pluralizing socioeconomic changes induced by market reforms and the continued dominance of the Leninist party-state" (Baum and Alexei 1999).

A small number of authors emphasize the change factor in Chinese governance and view emerging forms of auto-organization in China as the advent of a liberal civil society (Sullivan 1990). But the overwhelming majority of researchers have rejected the concept of 'civil society' as an analytical framework for Chinese NGOs. They have based this rejection on the claim that Chinese NGOs are in fact hybrid organizations in which state and society are interwoven and only enjoy limited autonomy. Therefore they are seen as non-conforming with the definition of civil society, which requires autonomy and the separation of associations from the state (Gordon 1994).

Furthermore the notion of civil society is closely aligned with political democratization, with civil society organizations as agents of democratization. But

while NGOs in China are seen as catering to the immediate needs of their constituencies, they are in general not perceived as a mechanism for representing and pursuing the interests of these constituencies towards the state (Busgen 2006).

2.4.1 NGO in Chinese's Society

Over the nearly 20 years of reform in China, the reform process has gradually expanded from economic reform to political reform, as well as a comprehensive reform of the social process. The latter is a central feature of the whole reform, and denotes a process of change transferring power from the state over to the market and society.

China has gradually built up a highly centralized political system with public ownership. The planned economic system was first introduced following Liberation in 1949, after which it increased in scope and severity, reaching its high point during the Cultural Revolution of 1966-1976. By some Chinese scholars this is called the "total society" (*zongtixing shehui*), in which the government fully controls and monopolizes the state's social resources. Another way of describing it is the "totalitarian society" (*jiquan shehui*) (Tsou 1967). The Reform and Opening-up after 1978 aimed to re-shape the relationship between state and society. The separation of the enterprise from public affairs and the political community meant that state power transitioned from nearly unlimited reach, to a limited, but still very powerful influence on expressions in the self-organizing, self-managing space. These changes resulted in a new structure for the market and society, which encompassed the whole country.

As one would expect, the Reform and Opening-up has had a remarkable effect on the development process of Chinese NGOs and civil society. China has gone from being a society where private organization of any kind was strictly prohibited, to one where such organization is tolerated, if not wholly accepted. From the 21st century onwards, the development of Chinese NGOs has become more institutionalized as well. We

identify two main types of NGOs, with different state-society orientations: The first is the top-down NGO, which is associated with government reform, and is usually also a product of government reform itself. NGOs of this type carry out government functions and provide government services. The other is known as the bottom-up NGO, which is more people-centric and does not have as close a relationship to the government, hence normally referred to as grassroots NGOs.

Top-down NGOs mainly receive their social resources, including personnel, financial aid, materials, information, management and organization of resources, from the Party and other government institutions. Bottom-up NGOs reflect the developing market economy and its associated economic and social democratization processes. They are products of citizen involvement in the economic and social process. Even for those NGOs who operate in the political sector, their social resources mainly derive from open competition in the domestic and international market.

With the deepening of the economic restructuring and promotion of government reform, the relationship between NGOs and government is also undergoing constant evolution. Existing NGOs hence do not fall neatly into the two categories described above. They should rather be considered "archetypes" which may take wildly different forms depending on the different paces of local economic development and government reform. However, both of these archetypes and their associated organizations are now facing challenges and a pressing need for improvement. Different methods have been proposed for this to be achieved.

The first method is called the "the top-down road of self-reliance" (*zi shang er xia de zizhuhua daolu*). A large number of institutions can be described as top-down NGOs. While they are usually registered as independent legal bodies, they often perform functions that were previously assumed by Party and government agencies. Of these functions, we identify three main categories: 1) A supporting role in foreign affairs, agriculture, environmental protection and other policy areas; 2) Coordination between

government management in related industries, such as metallurgy, textile, and other management areas; 3) The implementing of concrete measures in areas such as women's and labor rights, poverty alleviation, care for the disabled as well as other social policies and welfare fields. Here, the top-down NGOs carry out their work according to specific guidelines and policies given out by the government (Jia 2006, 10).

Top-down NGO reflects two co-existing, and often-times competing features of China's economic, social and political transition period: On the one hand, they mimic government bureaucracy in the manner of which they organize and administrate themselves. On the other, they enjoy an increasing degree of autonomy. They are somewhat market-oriented in that they align themselves with different interests and needs in society. For this reason, top-down NGOs are a kind of contradiction, a yin-yang of two conflicting forces: the state's desire for administration and control, and the private individual's desire for freedom and autonomy.

We see the top-to-bottom organization of NGOs from the budget to their functions and even their legal status. They generally tend towards a strong obsession with remaining close to Party and government organs, and often seek protection and privilege from these. However, we see the latter manifests itself in the growth of such organizations. They sometimes will feel that government intervention is too strong and ties their hands, and for this reason actively pursue autonomy in resource allocation, and work to obtain resources outside the government. In addition, following the streamlining and reform of the government, NGOs have started to get less resources from the government. Faced with the gap between the needs of the community and their own administrative constraints, they end up with a lack of vitality that compromises their ability to achieve social recognition.

The second way may be called bottom-up autonomy. Bottom-up or grassroots NGOs generally appear in the periphery, where the government cannot or chooses not to

deliver services. Such NGOs are often set up by elites able to channel the media and various social forces, as well as a variety of resources from the private sector, into positive activities to solve social problems. We find eight sub-categories of such NGOs: (1) Broad, mass-based organizations such as the Global Village or the Friends of Nature; (2) Industry organizations; (3) Urban community organizations relying on volunteer workers; (4) Independent think-tanks, such as the Institute for Sustainable Development or the Shenzhen comprehensive Development Research Institute; (5) Expert organizations, which are located in universities and give free consulting; (6) Socially oriented student organizations; rural economic and technical organizations; (7) Farmer intermediary organizations; (8) Privately run service institutions, such as private schools, private non-profit hospitals, and special populations for disability welfare organizations.

The many categories of bottom-up NGOs reflect the diversity, spontaneity and randomness of China's transition period. While the Western observer may perceive these as positive traits, for Chinese bottom-up NGOs these very characteristics serve only to *restrict* their development. Indeed, while government still remains the dominant force in society, the lack of homogeneity restricts the size, performance, and the public credibility of such NGOs. For this reason, such NGOs must operate in an uncomfortable alternative mode where they rely mainly on resources from overseas. As this thesis will describe later, these resources are wholly insufficient for bottom-up, or "grassroots", NGOs to develop sustainably.

2.4.2 The Development of Grassroots NGOs in Pre-civil Society

Overall, the development of grassroots NGOs has been slow, struggling with the limitations of the policy and legal environment. It has been, and still is very hard for a grassroots NGOs to grow beyond a small size. That being said, current trends are quite encouraging.

22

First of all, in recent years the number of grassroots NGOs being registered has not only gone up, but the concept of self-organization enjoys a wider acceptance by the community. More important still is the government's change in attitude. The Chinese party-state is gradually beginning to acknowledge the characteristics of grassroots NGOs.

Second, the management of grassroots NGOs remains nominally, if not wholly independent from the state. A key development in this respect was the establishment of the Management of Non-Governmental Organizations (*minjian zuzhi guanli ju)*, a sub-division of the Ministry of Civil Affairs responsible for handling the registration, approval and supervision of NGOs. This represented a marked improvement in the legal environment that started an NGO boom of sorts. The interaction between different departments, academia, government, and social practice areas is more active. Grassroots NGOs became a hot topic in media. In 2002, many magazines such as *Viewpoint*, *Management World*, *Administration*, *Finance*, *Reform*, *Newsweek*, *The China Society* and *China Development Brief* made columns, special issues and special editions on NGOs. The media discussions were an important signs that the concept of grassroots NGOs had started to take root in Chinese society. Compared to the situation during the 1995 World Conference on Women, when people frequently misunderstood what a 'NGO' really meant, this should be considered a positive development.

However, despite these largely positive trends, there is the matter of the Chinese system, which has yet to see any fundamental change. The state in today's China still possesses absolute executive power of every individual, who is considered to be part of a myriad of different "units" (*danwei*) nested throughout society. In this social structure, the government is supposed to take full responsibility for each individual, but in practice, the Leviathan gives little to nothing in return in this version of the Hobbesian bargain. Indeed, the Chinese welfare system is infamous for its stinginess, and provides grossly insufficient help to those who need it the most. Given that the

23

Chinese government, despite its enormous power, fails to take care of individual needs, we see that this current system is, among other things, too inflexible and not dynamic enough to serve the people.

Of course, building civic culture is a time-consuming process, which involves not only top-down efforts from the government, but also promotion from bottom-up NGOs. The cultivation of civic culture is involved in two aspects of the process of democratic development in China: On the one hand, as an important subject of governance, the development of NGOs means that the social governance structure transitions from an autocratic to a pluralistic democratic governance model. On the other hand, the cultivation of civic culture means that "social" areas are separated from the state. This process involves self-organization of citizens, the cultivation of self-management and democratic habits of self-governance, of which all serve to strengthen China's democratic process.

So far, it is generally accepted that civil society, as an independent sector, has yet to be fully shaped in China. I think Chinese society is still in an early state of civil society. In this state, civil society starts to appear, however, it is not fully structured, and relatively fragile and unstable. The input of civil society also lacks sufficient resources (Zhu 2004). Civil society organizations fail to enjoy fairness, because their social capital is not yet sufficient to negotiate on equal terms with the government. The concept of civil society is increasingly absorbed by the state's development strategy. While the basic structure of Chinese civil society receives support from international entities, it does not in its current state resemble civil society, as it is understood in the West. The reason for this is that there are many intermediate variables. For example, the development of many grassroots NGOs is so dependent on government resources and international funds that people lose confidence in them. However, even in the face of these difficulties this nascent civil society still shows the possibility of increasing its independence and autonomy.

That is not to say it has not changed, however. The basic structure of Chinese society has indeed changed, in that it is no longer a one-way, one-dimensional relationship between the government and each unit. Government is no longer an all-powerful entity and the party-state now exercises limited, though still extremely powerful, control over the private business and nonprofit sectors through supervision, norms, policies, promotions, and other measures of indirect control. This should be contrasted with the political situation of Mao-era China, where central power ran unchecked and there were no limits on what could or could not be dictated by violence and government fiat.

Be that as it may, the contemporary reality lies in stark contrast to the ideal form of civil society presented in Figure 3. Here, the organizational structure should be based in part on a large number of entities organized voluntarily by civic-minded citizens and individuals. These constitute a third pillar of civil society in addition to government and enterprises. In this model, bottom-up, "grassroots" NGOs are a cornerstone for the development of civil society.
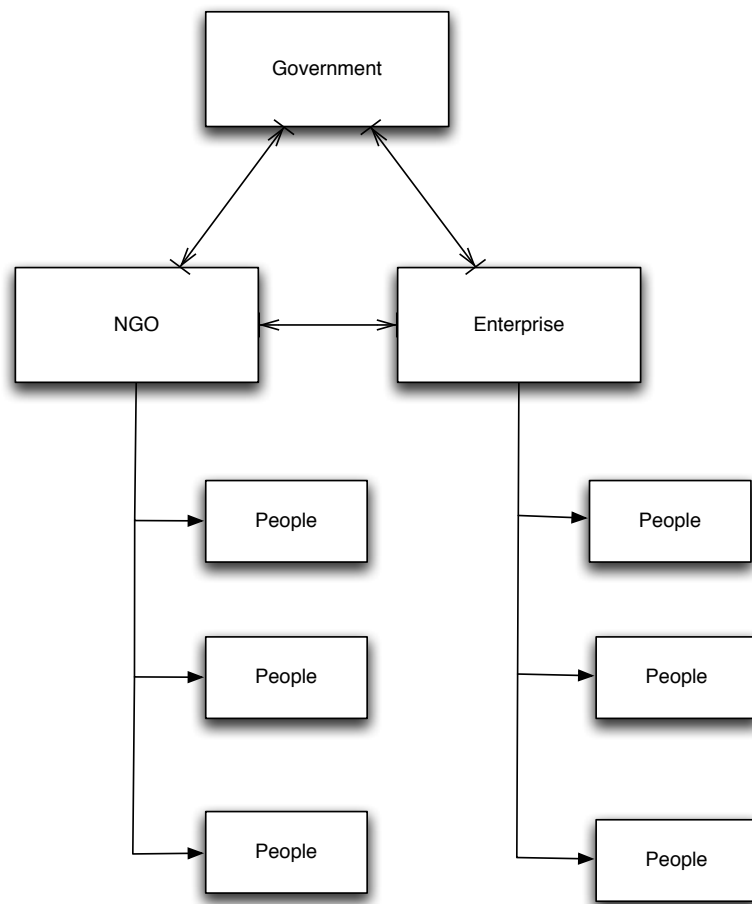
Figure 3: The Structure of Civil Society

Since grassroots NGOs are so essential for the achievement of civil society, there is a need to further discuss what factors critically impact the capacity building of such organizations. In Figure 4, I summarize a few key factors, including government reform and social policy, legal environment, as well as the cultivation of civic culture. These factors influence one another as follows:
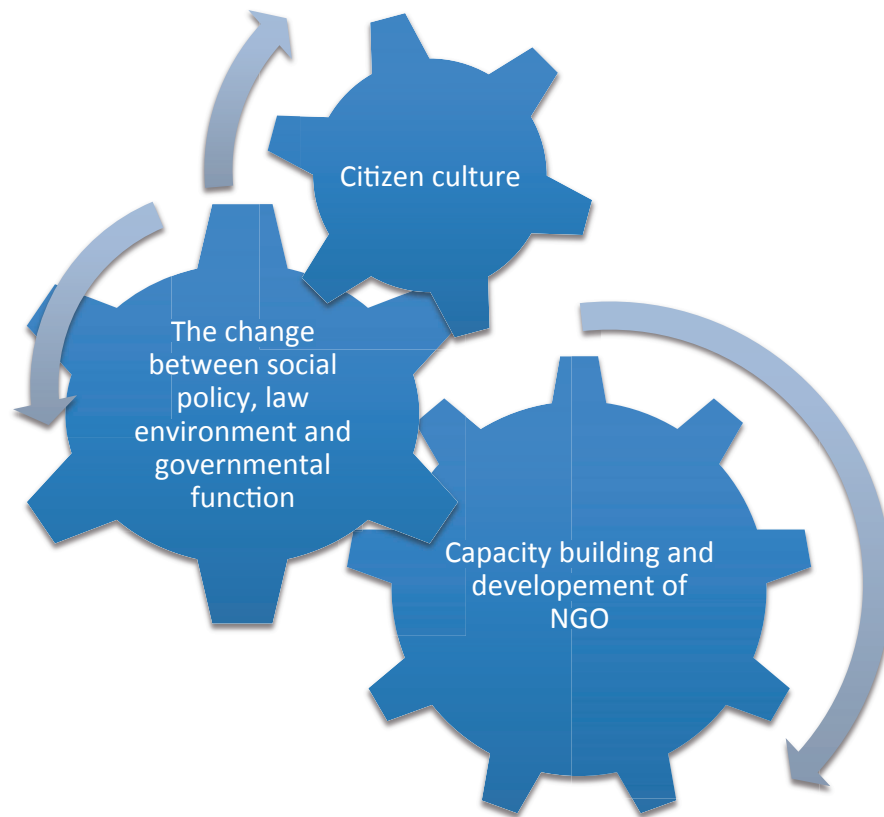
Figure 4: Providing the Impetus for the Development of a Chinese Civil Society

Figure 4 places great emphasis on the two-way interactive relationship between these three areas. In China especially, the rise of civil society is facilitated by social transformation and institutional transition. This transition has a dual nature: On the one hand, it constitutes a separation between the state, the market and the social sphere, and thus requires that the system adapt to the market economy, the culture of the rule of law, limited government and a pluralistic model of governance. On the other hand, the transition towards civil society in China is still a largely state-driven development, which is also closely associated with government entities and their self-reform.

The social transformation of the Chinese government' role is particularly noteworthy.

Because of its enormous advantages in both resources and power, the government is in many ways bound to end up in a dominant position, and thus has to take on more responsibilities for the social transformation. The development of the third sector (grassroots NGOs) is a long and tortuous course. In this process, an emphasis on NGO capacity building is not by itself enough to create an environment conducive to NGO development. A more beneficial legal policy through policy adjustments and institutional reconstruction is also necessary to create such an environment.

In order to establish the confidence in citizen organizations, the government should properly recognize the role of grassroots NGOs in the multi-governance model. A good and responsible government needs to continually adjust its position in order to affect a positive impact on social processes, and create a favorable policy environment for these processes. The Chinese government has plans to nurture the autonomy of citizens and NGOs, so that it will have a choice of whether or not to gradually withdraw from areas of society where it currently exercises direct control. In my opinion, it would be wise for the government to implement these plans: Indeed, a more positive and generous attitude from the Chinese government towards NGOs will be an opportunity to reduce losses and promote cooperation at a low cost.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This part mainly talks about what kinds of methods that were used in this research. How can I collect the data and how this study was conducted? As we have previously seen, your choice of research methods depends upon the methodology you are using, and the research question you are asking (Wisker 2008). This chapter explain how this work generated its knowledge and the methods used in getting data. The secondary data in cases are obtained from reliable literatures and government documents, while the primary data are got through in-depth interviews and observation.

3.2 Qualitative Methodologies

The reasons informing the use of qualitative approach in this particular study is of great importance. Considering the fact that it is concerned with analyzing the effectiveness of a program that probably has a relatively small population, the use of qualitative approach is quite appropriate. Another reason why I chose qualitative approach is because this study is about how of a phenomenon, it require more focus on the expressions and feelings of the respondent from grassroots NGOs. Therefore, it means that I should get more information what they think and feel about the role and development of Chinese's grassroots NGOs in Eastern China. This therefore requires the use of unstructured and flexible data collection methods to make room for more expressions by respondents. A quantitative approach does not offer this opportunity because of its rigid and structured form of eliciting information, leaving the qualitative approach as the obvious choice.

If some or all of your research methods involve capturing people opinions feelings and practice, their experience and the kind of atmosphere and context in which they act and respond, then you are likely to be carrying out positivistic research – that is, theory building – then interpretive – based research and qualitative research methods are likely to form a large part of your exploration and your research (Wisker 2008). So the qualitative methodologies were used in this study including case study, interviews, and observation. NVIVO 9 (research software for analysis and insight) was used in this part for importing and working with documents like PDFs and Words. NVIVO also could let me organized and classified data quickly. So NVIVO was very important to helps me link findings back to the primary data that supports it.

3.2.1 Case Study

As a research method, case study seems to be used first to describe the current data and draw general conclusions of inductive (Wee 1950). Case study as a method has been around for a long time and offers an opportunity to consider a situation, individual, event, group, organization, or whatever is appropriate as the object of study, and perhaps to look at several cases, all of which represent variations on examples of the issues in question under research. One of the pluses of using case study methodology and methods is that an in-depth situation can be explored fully (Wisker 2008). That was the reason why case study is very important to my work. At the beginning, I have draw dilemmas grassroots NGOs face and combined with cases from Loving House, Green Stone and Grassroots Home. Then there will be a discussion on the analytical techniques used for the case. Case study is a kind of an empirical research method for inspecting a phenomenon in real environment that exist in contemporary (Yin 1994). The Case of Xinyuan was a grassroots NGO from Xuzhou, Jiangsu Province operated well for dealing with some normal dilemmas from Loving House, Green Stone and Grassroots Home.

Xuzhou Xinyuan of Jiangsu Province, the volunteer service center, was founded in April, 1997, and officially registered in the Ministry of Civil Affairs in 2004. The

founder of Xuzhou Xinyuan is Mr. Zheng Fusheng, who had serious Ankylosing Spondylitis when he was 22. He couldn't stand or band but he still insisted working as a normal man. He was praised as Pavel Korchagin of Xuzhou.

This non-profit organization aims to provide volunteer service for the handicapped. It advocates the participation to overcome the handicapped and share the harmony. Its core values lie in the equality, gratefulness and cooperation. It promises dedication, friendship and improvement.

Xinyuan's case had important information that the grassroots organization developed very rapidly at the beginning and then they faced same difficult for further development. Their difficulties including the dilemma in knowledge, the dilemma in law, the dilemma in human resource, the dilemma in fund, the dilemma in trust are hard to avoid in China, which are common problems. Xinyuan's worked it out through changing in operation model, which is a valuable experience for other grassroots NGOs learning.

3.2.2 Why Xinyuan

Xinyuan had a series of social public welfare projects after it was established for fourteen years. For instance, 'Fusheng Loving Bookstore' aims at sending books to the disabled who would like to reading and some family care activities for them. 'Caring Hand Corner' is a project that teaches the disabled handicraft production of related knowledge and skills, making them acquire the skills to earn a living. The establishment of "mind cinema" projects enables the blind to experience the charm of the film. Beside, Xinyuan set up the first social work station for the disabled. The station is doing the cultivation education for integration between the disabled and society in a professional manner. "Citizen volunteer activities in one day" aims at mobilizing more people to participate in volunteer activities are using the form of a novel. Xinyuan's actives have extensive and good repercussions in society due to

colorful activities with a spirit of selfless dedication.

The founder of Xinyuan, Zheng Fusheng is granted "2008 years Chinese charity Award", "national enthusiastic public individuals", "Jiangsu Province ten outstanding volunteers", and "Jiangsu Province charity of Star". Xinyuan is "Jiangsu Province advanced collective of volunteers" that is jointly awarded by League Jiangsu provincial and Department of Civil Affairs in Jiangsu Province, and is "national advanced Group of community volunteers" that is awarded by the National Ministry of Civil Affairs and National Association of social workers Union.

3.2.3 Interview

Interviews give you the opportunity to meet the subjects of your research. They can provide both the detailed information you set out to collect and some fascinating contextual of other information (Wisker 2008). There was no denying that interview was very useful to this study. Berg (2007) argues that interviewing is defined 'as a conversation with a purpose', with purpose obviously being to gather information from the said respondents. Rubin (2005) also say it as a structured conversation, possibly containing main questions, follow up questions and probes. Face-to-Face interviews are characterized by synchronous communication in time and place. Due to this synchronous communication, as no other interview method FtF interviews can take its advantage of social cues. Social cues, such as voice, intonation, body language etc. of the interviewee can give the interviewer a lot of extra information that can be added to the verbal answer of the interviewee on a question. Of course the value of social cues also depends on what the interviewer wants to know from the interviewee. If the interviewer is seen as a subject, and as an irreplaceable person, from whom the interviewer wants to know the attitude towards for example the labor union, then social cues are very important. When the interviewer interviews an expert about things or persons that have nothing to do with the expert as a subject, then social cues become less important (Emans 1986). On the other hand, this visibility can

lead to disturbing interviewer effects, when the interviewer guides with his or her behavior the interviewee in a special direction (Opdenakker 2006).

As Alan (2008) argues, in an unstructured interview, only a single question is asked and the respondent is given the free will to respond to the question followed by further question and probing on the same topic. During my interview, the interviewees are given the chance to reply based on their own thoughts and what they want to say. Using two forms of interviewing in my work was very critical as it touched on a core of research question. I have got the answer what kinds of dilemma grassroots NGOs face and what kind of ways they have been used for working out their dilemmas from an unstructured interview. Semi-structured interview were used to guide the direction of interview and got some information I want from the respondents.

I have contacted my interviewees in advance and introduced myself by email, following up with a phone call to further communication that have explained the reason for the research and what my aims were in interviewing them. However, the interviews were conducted in Chinese, because using local language to interview was good way to let interviewee felt close and relax.

Interview with staffs of three grassroots NGOs from Eastern China

In this interview, I conducted a total of six interviews in grassroots NGOs from Shanghai, Nanjing and Zhejiang, which is the semi-structured interview. I interviewed each two staffs from three grassroots NGOs in Eastern China. One was director who in charged of organization operation and the other one was senior staff who in charge of daily affairs in organization. All interviews were conducted at their office specified by the respondents and the time was last around one hour.

Before the beginning of interview, I asked the permission of my interviewees to tape record the interview and mention them by names in my work. And I also asked that

mention the organization name in my thesis, a request they all gleefully granted. Steiner Kvale (1996) calls for the need for a research to be sensitive and responsible to the respondents. In fact, this was a guiding principle throughout my research process. I paid considerable attention to ethical consideration in research. The tape recording helped me to be attentive to whatever the interviewee was saying or not saying (Bryman 2008).

During the interview, I asked the question one by one in unstructured interview. My interviewees also provided more information to answer my research question and they thought. I putted more attention to Alan's (2008) contention that it is important that the written text reproduces exactly what the interviewee said word by word, and in the case the audio sound is poor the researcher should not attempt to guess and conjecture anything; instead the research should indicate in the transcript that there is a missing word.

Interview with director of Xinyuan from Xuzhou, Jiangsu Province

The director and the senior staff of Xinyuan have been interviewed by using a semi-structured interview guide. The director who in charge of the operation in Xinyuan got good experience for making the development plan for grassroots NGOs and the senior staff was in charge of daily affair that have known everything about what they face during working. It was interviewed for one and half hour following a scheduled appointment. Moreover, sensitive tape recorder was necessary. I placed the tape recorder somewhere unobtrusive but point it out. The place of interview was gone in meeting room and the interview is used in Semi-structured interview. Follow-up and probes as articulated by Rubin (2005) are aim at asking for explanations to certain pertinent issues raised by the respond and helping direct the order of the interview by asking for illustrations and descriptions.

At first, I also asked the permission of my interviewees to mention them by names

and the organization name in my thesis, a request they all gleefully granted. Then, this in-depth interview would touched the operation in Xinyuan and some internal projects, I also asked the permission for making operation model in my thesis, which was experience for others grassroots NGOs development.

During the interview, my questions were working in the semi-structured version, in particular, was used to guide the direction of the interview but at the same time gaining so much wealth of information form the respondents. I got much information about the operation of Xinyuan and some innovation models to help Xinyuan develop quickly and steady.

3.2.4 Observation

The observation was used in the period of interview. It is very important to obtain more information. Observation enables you to capture what people actually do rather than what they say they do (Wisker 2008). Lacey (1976) think Participant observation will be used during interview and non-participant observation will be used in focus group. Gina (2008) though that you use yourself as the equipment for this research. So observation can be a rich source of information for me. The participant observation was used in my interview for three grassroots NGOs from Shanghai, Nanjing, Hangzhou and also a grassroots NGO from Xuzhou. More extra information was for better analysis in the situation of grassroots NGOs in Eastern China. One thing to keep in mind is that behavior and wording are culturally inflected. If you are interviewing someone from a different cultural, gendered or class background, you will need to be careful to observe their rules of behavior, check out their context, check out the meanings of what you ask and what you are hearing, to avoid cultural confusions (Wisker 2008). Because some question was related with the Chinese's current situation in society so that some staffs from grassroots NGOs could not point out something wrong in Chinese's politics system in direction.

3.2.5 Ethical Considerations

At first, I explained the research aim and processes, and the final use of the results. When I conducted my interview, I thought more about the culture of religion and what personal question for people was. The contact information of interviewee was not appeared in the data collection instruments, which was good way to protect people personal identity. Besides, all people were interviewed after they had given their consent. Moreover, all data from people I would take good care about it and just for research.

Furthermore, observation was used in qualitative methodology. Ethnographic participant observation can supply detailed, authentic information unattainable by any other research method (Homan 1980). But when using ethnographic participant observation in interview, ethnographic participant observation should not be simply measured and judged by the same ethical guidelines for consent interviews or other overt data collection methods. A great emphasis should be placed on how to handle unavoidable ethical challenges and unexpected situations in the field (Li 2008).

3.2.6 Limitations

To begin with, the biggest limitation for me was interview for the officer from Ministry of Civil Affairs in Eastern China. I have contacted three officers from Ministry of Civil Affairs of Shanghai and Nanjing for interview after I have got their contact information from Internet. The refusal replies were got after a week that I had sent out invitation. It is normal phenomenon that governmental officer in China do not like to talk about anything are related Chinese society and political system.

Moreover, one of the pluses of using case study methodology and methods is that an in-depth situation can be explored fully. One of the issues is that you cannot easily generalize from one case (Wisker 2008). I used Xinyuan as a case in my research,

which was a limit to explore fully.

3.2.7 Loving House, Green Store and Grassroots Home

Loving House

Loving House was established in 2000 and official registered in 2004. Loving House is mainly engaged in community development work for legal advice and assistance in the field of specific services, waste separation, community education for migrant children, post-disaster reconstruction of computer technology training courses. All work is volunteer commitments, including governance and implementation.

Loving House reached an initial consensus for operating an organization in 2000. 2001, Loving House started the process of organization and began constantly experiments and discussions in this regard. After one year, they initially completed own constitution. From 2000 to 2003 was a best period for Loving House, which developed rapidly and felt changed everyday.

After 2004, Loving House was not moving on until now. The stagnation in development is because core volunteers are not willing to give up their volunteer status to be full-time staff and some volunteers are going to other organizations. The rapid development in organization from 2000 to 2003 based on the joint efforts of all volunteers and full-time staff and it was naturally had a sense of fatigue after long time working. This has become the biggest resistance to their development.

Green Store

Green Stone is first civil youth organization in China, which was established in 2000 and was created by 3 college students in Nanjing. They focus high efficiency environmental protection service and joint resources, also focus on local environmental issues. 2002, they began to concern the development of national environmental groups and launched a series of training programs. 2005, Green Stone

have completed registration and got the status of legal persons. There were recruiting the first full-time staff and the first localization project: project of water environment of Yangtze River in 2006. Until now, Green Stone's mission is supporting young people grow up and encouraging public participation in addressing local environmental problems. Current projects are water environment of Yangtze River project, youth development project, and community homes project.

The most important projects in Green Stone are to train young people for growing up and cases for Apple's factory illegal discharges. They feel the lack of ability is the biggest pressure during period of development. Most of the workers do not have much experience for organizational operations and project implementation. However, They are studying and working.

Grassroots Home

Grassroots Home was initiated by the workers in Hangzhou and founded by several people focus on improving the status of migrant workers and let workers live a happy and dignified life.

In 2006, Xu wencai who was working in Hangzhou started migrant workers website Grassroots Home. The core of concepts of Grassroots Home is mutual assistance and self-help self-improvement for practicing advocacy community and promoting the improvement of living environment of peasant-workers through cultural activities, legal consultation, professional training series of voluntary social work services. They aim at improving peasant worker friends self-service, self-management and self-development capacities, also promoting better integration of peasant-workers and the city for realizing their dreams.

They do not have legal status due to legislative environment in China; the government does not changed from management to service. They have to do everything they can do in Chinese's society. There are three other survival pressures apart from the

registration. First, they cannot improve treatment for full-time volunteers due to shortage in fund. Second survival pressure is funding instability. They only have a primary funders is Oxfam. Then, too little training for stuffs lead to the decreasing of service quality and even effects the development of organization.

3.2.8 Summary

The structure of this chapter, which contains the introduction of research design and methodologies, will follow the organization of research question (see chapter 1.4) and interview question illustrated in appendix 1 and 2.

Most research methods either use a qualitative or quantitative methodology. In this work, a qualitative approach has been chosen, which is perceived as appropriate for understanding social phenomena based on data on persons and situations (Thagaard 2003). Besides, qualitative research analyses the processes in light of its context and offers in-depth information about few entities. This thesis aims at making descriptive inferences on the basis of empirical information about the grassroots NGOs in China.

Three typical cases of grassroots NGOs from Eastern China are selected are because they are real grassroots NGOs. At the beginning, they had developed rapidly; then they are facing universal dilemmas for operating grassroots NGOs due to legislative environment in China and internal causes. It is showing up common challenges facing grassroots NGOs in China and they have to look for survival way.

CHAPTER FOUR

OBSTACLES TO THE DEVELOPMENT OF GRASSROOTS

NGOS IN CHINA

4.1 Introduction

Many have questioned whether civil society as an analytical framework is really applicable to China. The reason for this is that until very recently, China had few or no independent associations voluntarily organized by its citizens. All associations in China were in some way affiliated with the government of China and the party system. For this reason, they were not considered non-governmental organizations in the real sense of the word, but instead as mechanisms that served primarily as a means of manipulation for the government. However, we now observe that true NGOs are appearing in China.

From the perspective of Western civil society, this is an expected outcome. Civil societies such as NGOs are thought to be the natural result of the development of commercial economics and unrestricted acquisition of civil rights. China is currently undergoing social changes similar to those of Western nations in past centuries. As market reforms deepen in China, many voluntarily formed associations spring out of different communities, independent from administrative systems and characterized by their non-governmental nature. In a transitional period like this, their survival and growth are deeply rooted in the opportunities for reform, though they still face challenges from their struggle with the old system of power.

For an NGO, the two crucial factors that decide its growth are the administrative environment and the social resources available to it. The former decides the size of

the space an NGO can operate in; the latter becomes the source of an NGO's survival. In today's China, NGOs are facing challenges both from strict administration and a lack of social resources. Based on the data collected from interviews and resourceful references, I present five common dilemmas that grassroots NGOs are facing in China.

4.2 Five Common Challenges Facing Grassroots NGOs in China

The focus in this thesis is on so-called grassroots NGOs, which are small scale, locally initiated and run organizations. In present Chinese society, the development of grassroots NGOs is very difficult because of the old Leninist political system introduced by the Chinese Communist Party after Liberation in 1949. The five challenges below were drawn from data concerning three NGOS in Eastern China. They were 1) Loving Home in Shanghai, 2) Greenstone in Nanjing, Jiangsu Province and 3) Grassroots Home in Hangzhou, Zhejiang Province. Their experiences tell us what constitutes NGOs in China today and how they develop.

4.2.1 Legislative Environment

In the late 1990s, the Chinese government revised the old "Administrative Regulation on Social Groups" of 1989, the official reason being new developments in society. A new version of the regulation was promulgated in September 1998. A "Temporary Regulation on Private Non-enterprise Units Registration and Management" was promulgated in 1998, and one year later a "Charitable Donation Law" was implemented. In addition, the Ministry of Civil Affairs issued more than fifty regulations. Numerous regulations and laws were issued by local governments as well. These regulations and laws have served as the main method by which the government seeks to control and frame the development of social associations. The restrictive

influence on NGOs is illustrated in the following three aspects:

The first is the limits on registration. Government at all levels has standards to which all associations must adhere if they are to be successfully registered. In most cases these standards are prohibitively high. According to existing regulations, an association must meet administrative and capital requirements in order to be registered. The administrative requirement for civil associations is that they must be affiliated with at least one governmental agency. The capital requirement, on the other hand, is a registration fund of no less than RMB 100,000 for a national association, and no less than RMB 30.000 for a local one (Wang, Liu and He 2001). These registration requirements in effect prohibit most civil associations from being legally registered because they lack either the necessary funds or the cooperation of a governmental agency. An optional way of handling this is to be registered as an enterprised association in Industrial and Commercial Units.

Second, there is an extremely strict "Double Administration System". Chinese regulations leave registration and management in the hands of two different sectors of government. First, a Registration Agency is in charge of the review of applications as well as supervision of the association's activities. Secondly, an Operation Management Agency is in charge of financial, personnel, political and international affairs. This is to say, government actually controls the operations and outcome of these associations', from their foundation to their operation and even their dissolution (Xia 2002). Real NGOs, by which we mean organizations fully independent from government manipulation and in control of their fate, experience great difficulty in earning trust in society due to their "illegal" and "unofficial" nature. They do not enjoy preferential policies from the government and are not provided with enough resources from society. Their survival and growth is unpredictable, depending entirely on government acquiescence and tolerance.

The third aspect is the legislative environment. Compared to the strict methods of

control employed by the government, legislation continues to lag far behind the NGOs' development. No effective system of legislation has been established to manage NGOs' various affairs, such as organization, finance and tax, income and expense, supervision and evaluation, donation and volunteer activities. The end result, in many cases, is poor management and a deficiency of social trust.

4.2.2 Human Resources

Human resources, including professionals and volunteers, form a crucial element of an NGO's operations. Volunteers are needed for an NGO to plan and organize activities. Professionals and outside participants, like social celebrities, media professionals, scholars and experts, play an important part in an NGO's development. Their social network helps an NGO extend its social influence, overcome the obstacles of government control and find more sources of funding. The participation of volunteers reveals an NGO's influence and social status.

The quality of an organization's professionals may often represent the quality of the organization at large. Indeed, high-skilled professionals bring new knowledge and technology to the table, which may enable the NGOs to launch new projects and cover more service fields. However, in China, the situation is far from satisfactory in this respect: NGOs in China lack not only sufficient human resources, but also suffers from lack of skilled and innovative professionals. Due to the low pay and benefits, few highly skilled professionals are willing to work for NGOs on a full-time basis, preferring instead jobs in the government or for-profit enterprises. This is exacerbated by China's lack of a strong social safety net.

4.2.3 Funding

A stable and constant source of funding (such as member donations) is crucial for a

grassroots NGO. When funding is insufficient or unstable, this severely influences their ability to operate properly. In this section, I identify funding as the third problem facing Chinese grassroots NGOs. Indeed, nearly all grassroots NGOs in China have funding problems, which not only hamper their day-to-day operations but effectively prevent them for growing beyond a certain size.

Let us take, for example, the grassroots NGO, "Friends of Nature", which is probably the most famous organization of its kind in China. It can raise somewhere around RMB 400,000 to 800,000 (approx. USD 63,000-127,000) every year, a very impressive number compared to other such organizations in mainland China. However, this amount is paltry in comparison with a charity in a neighboring territory like Hong Kong. In a one-year-period, the affiliation of Oxfam can routinely raise as much as HKD 100,000,000 (approx. USD 13,000,000) in Hong Kong. According to their statistics, 35,367 members of Oxfam contribute monthly donations for poverty-relief programs; 8,118 members donate monthly to programs in China, while 3,407 members donate monthly to the education programs. We infer from these examples that NGOs in Mainland China deal with major funding issues. Though they may sometimes be able to accept funds from international sources, these usually prove insufficient in covering salaries and other expenses. Leaders in such NGOs usually work part-time jobs and suffer constant anxieties over the salaries for their employees.

For small groups and associations the problem is even more pronounced, as they barely have any experience in obtaining resources. They depend on personal donations and funding from international organizations (usually development agencies) to organize activities, but the amounts are too small and the frequency too sporadic for them to grow beyond their current size. Though the money obtained through these sources may solve temporary financial problems, they are neither constant nor sustainable. The problem is twofold: On the one hand, with more NGOs being registered and founded, fewer resources are being made available for each

organization. On the other, the rapid economic development in China is leading international development agencies to consider withdrawing from China in favor of poorer and more underdeveloped countries. Many of these agencies believe the Chinese government and other agencies have enough resources to help and support NGOs within its territory. In other words, it is critical for such NGOs to find financial sources in China.

4.2.4 Trust

By "trust" here, we refer to public trust and support for the NGO's mission, its activities and its organization. Another way of calling this is "reputation". One essential element is the media. The media guides and shapes public opinion, and for an NGO, plays an instrumental part in raising public awareness. Higher public awareness may lead to more funding and support, essentially "trust" in the sense of the word as it is explained above. For this reason, it is necessary for an NGO to interact with the media in order to spread awareness and obtain support.

Despite the challenges facing them, Chinese grassroots NGOs have earned some degree of social acknowledgement and support. However, the public is still prejudiced towards such organizations and their activities. Other factors are poor management and a policy environment that discourages participation by society at large. The scandals in particular have had a very damaging influence on the reputation of NGOs in China.

Chinese people working in charity are confronted with a dilemma inherent to Chinese culture: Whether wealth depends on charity or if charity comes after wealth. Many Chinese people will feel negatively about money being earned through charity. In the Chinese cultural framework, a career in charity is restricted mainly to the wealthy, which have the resources to be devoted to such a career. But the present trust crisis in Chinese charity careers may become the turning point that the fake charity is singled

out from the real one, which more and more people put attention to Chinese charity.

4.2.5 Capability

Due to the severe shortage of funds and human resources in grassroots NGOs, such organizations experience mounting challenges in organizing and planning activities. Many NGOs operate in new and highly demanding fields, such as environmental protection, legal assistance or aid work for handicapped and mentally ill children. These fields require participants who are skilled, devoted and creative, the very kind of participants that Chinese grassroots NGOs lack. In their current state, grassroots NGOs in China lack professional expertise and skills. In other countries, participants are offered professional training related to the field that the NGO is operating in. In China, such training is poor, if it is even offered at all. Few NGO participants are professionally trained, and even the trainers are not in the possession of sufficient practical experience and knowledge. It may not come as a surprise, then, that many NGOs lack practical strategies and orientation, and that they have no mature considerations about their strategy development.

4.3 Summary

To summarize, under the conditions of the lower strata of civil society in China, grassroots NGO are suffering various challenges and problems in their development. These difficulties have arisen against the backdrop of social transformation and reform. Grassroots NGOs need constant and painful effort to improve and develop.

CHAPTER FIVE

THE CASE OF XINYUAN

5.1 Introduction

The chapter presents empirical results and findings obtained from the fieldwork in Xuzhou Xinyuan, Jiangsu Province. To start off with, I explain the development of Xinyuan from its foundation, a development which has taken place in three stages. Then, I will analyze how grassroots NGOs develop under societal circumstances like these. Last but not least, I will draw some experience from the case and try to provide a good path for the development of other grassroots NGOs in the future. The aim of this chapter is to provide a basis and a foundation for further answering the research questions.

5.2 Xinyuan's Way

5.2.1 Xinyuan's Background

The volunteer service center Xuzhou Xinyuan in Jiangsu Province was founded in April, 1997, and officially registered with the Ministry of Civil Affairs in 2004. This non-profit organization aims to provide volunteer service for handicapped people. It advocates active participation to overcome physical and mental handicaps. Its core values are equality, gratefulness and cooperation. It promises dedication, friendship and improvement. The founder of Xuzhou Xinyuan is Mr. Zheng Fusheng, who was diagnosed with a serious case of Bekhterev's disease when he was 22 years old. He could neither stand nor walk but still insisted on continuing working as a normal person. This led some to praise him as the "Pavel Korchagin" of Xuzhou.

5.2.2 The Development of Xinyuan

Though Xinyuan is a normal Grassroots NGO, under the leadership of Zheng Fusheng it has, through many trials, found what must be called a perfect way to fit into Chinese society. It developed from an organization totally dependent on volunteer teams to a highly professional team with a perfect capital chain. The fact that NGOs can develop rapidly in contemporary China owes to innovations in the operation model that the NGOs use.

The First Stage from 1997 to 2004

| Donations | → | Xinyuan | → | Supported Project/ People |

Education Level	Junior High School Diploma and Below	High School Diploma	Bachelor's Degree	Master's Degree and Higher
Percentage	52%	34%	13%	1%

Figure 5: Xinyuan's First Stage of Development
Figure 6: Education Level of Xinyuan Volunteers (1997 to 2004)

In April of 1997, Zheng Fusheng founded Xinyuan that mean good relations heart to heart on his 30th birthday. At that time, he launched an activity called Loving Book House, which was to lend books to the handicapped for free. Xinyuan hired some volunteers through a local radio station to deliver books to the handicapped. The books were ordered by telephone.

As is shown in Figure 1, from 1997 to 2004, the development model of Xinyuan was relatively simple. It received donations from all strata of society, donations which were then handed out to target groups, specifically those with physical and mental handicaps. They were willing to deal with any program as long as it was for the handicapped.

At this stage, Xinyuan became caught up in issues like funding shortages and personnel problems. As a volunteer organization, Xinyuan had no ability to raise funds from society: Indeed, his NGO effectively had no income at all. The only way to raise funds was to apply for money from international agencies. However, it was very difficult to persuade such agencies to provide funding for such a small grassroots NGO. The second problem was personnel. Because the volunteers were recruited through the local radio station, a professional quality could not be guaranteed. According to the statistics, from 1997 through 2004, only 14% of the volunteers had received higher education, the rest were high school graduates or even below that level (Figure 6). The low-quality volunteers limited Xinyuan's development. Moreover, many volunteers did not stay for longer than a few months, due to many different factors. To sum up, the biggest problems initially were funding, human resources, staff quality and a lack of preferential policies.

The Second Stage from 2004 to 2008
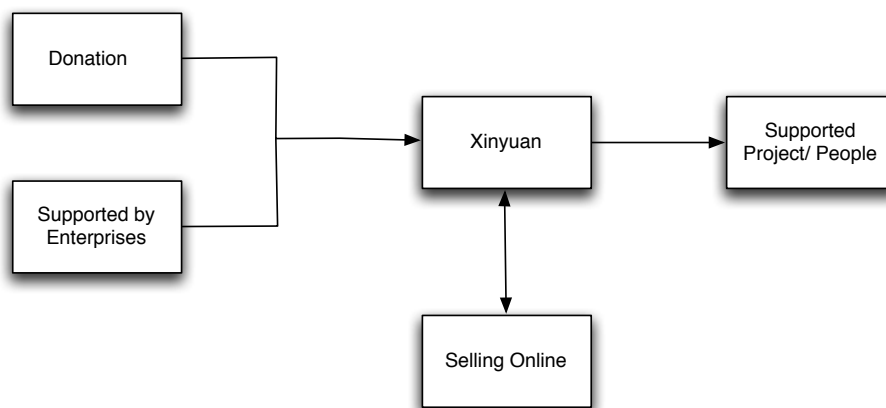
Figure 7: Xinyuan's Second Stage of Development

After seven years of effort, in addition to more preferential policies for NGOs, Xinyuan started to get rid of some problems, and tried out a new model to solve his organization's funding problems. The NGO began to do some small business, like selling flowers and books on Internet. In addition, they also began to seek sponsors from local enterprises as funding sources. As for the staff, Xinyuan began to hire

full-time employees and provide some professional training and courses. Now most of the employees were well-educated and has attended various training programs.

At this stage, the biggest problem is a low-level executive ability and expertise that restricts the organization's social influence. For example, at one point Xinyuan planned a walking program to raise money. They invited handicapped persons to walk on their own, so as to give attention to these disadvantaged groups. However, they chose a bad location and their PR efforts failed. The program did not receive as much attention as they expected, even though the participants had made plenty of effort to organize it. The public was largely unaware of this activity and few media outlets reported on it. Money raised was substantially less than they had expected.

Still, from 2004-2008, Xinyuan's growth was undeniably impressive. Xinyuan successfully solved the funding problem that has plagued most Chinese grassroots NGOs, and executed many influential programs.
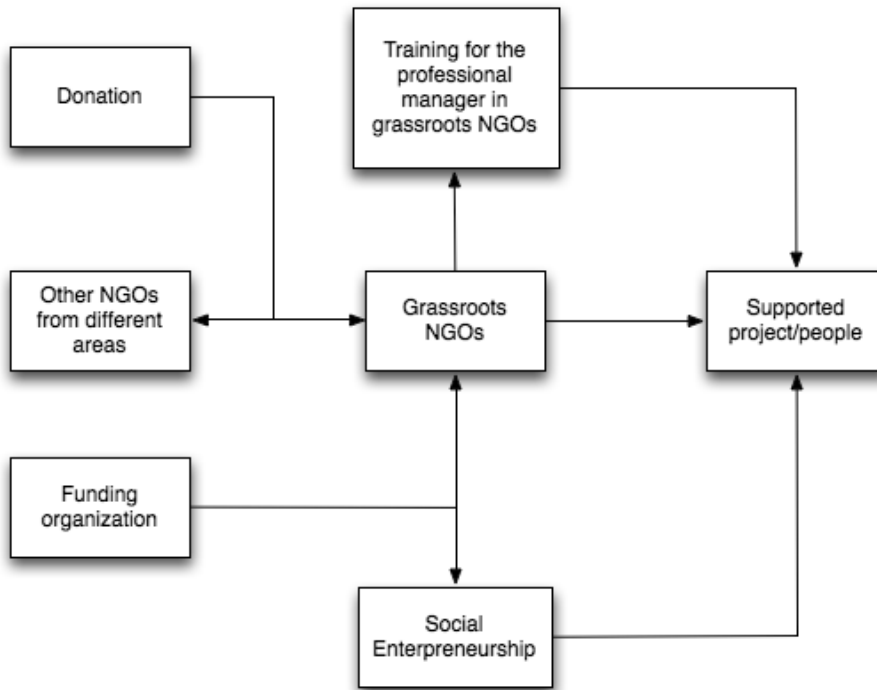
Figure 8: Xinyuan's Third Stage of Development

In 2008, a researcher developed a strategy for Xinyuan when Zheng Fusheng attended a training program for grassroots NGOs. Inspired by some new concepts, he proposed a new model for Xinyuan to overcome the problems that normally face grassroots NGOs.

The new strategy included the study of project management, a totally new concept. From 2008 onwards, Xinyuan began work on project proposals to seek unrestricted cooperation with different sectors of government, like associations for the handicapped, environmental protection bureaus and so forth. One particularly notable (and commendable) feature of Xinyuan is that it also started to share its resources with other NGOs.

51

The traditional operation of grassroots NGOs is to simply accept capital from overseas sources and directly invest this capital into specific projects. This method restricts their development under the current legislative environment. However, Xinyuan has attempted a new innovative model to guarantee its healthy growth.

First of all, apart from receiving funds, Xinyuan's cooperation with various NGOs can more effectively use resources. More surprisingly, donors are more willing to fund some programs. For example, their participation in the training of British Consulate presents a commercial model to run charity as a social enterprise. Inspired by the concept of social enterprise, Xinyuan's founder, Zheng Fusheng proposed a "Free Obstacle Home Products Shop" project. They applied for funds totalling RMB 200,000 to start up commercial projects, and invested these funds into the development of some hospital and pharmacy products. A large ratio of the income was used to train professional managers. Xinyuan believes grassroots NGOs also need good professional managers, and its development greatly relies on the NGOs' skills and expertise.

This new model frees Xinyuan from lacking capital and human resources. The organization becomes a good platform, in which more people want to take part. If the success of this model in eastern China can be ensured, it is worth promoting all over the country. Hence, today Xinyuan has become an incredibly influential Grassroot NGO in eastern China. The new model developed by Xinyuan has garnered much attention from the whole society.

Summary

In the past, the NGO landscape in China is very simple, i.e. to get funding and make some projects. If the economic situation is not good, many projects must be brought to

a close early or stopped outright. Some grassroots NGOs were able to obtain money from the government, but this money had significant strings attached to it. NGOs were quick to exploit the government's fear of their collapse to demand support and resisted any attempt by the government to influence their management or services (Lu 2009).

Still, however, most grassroots NGOs do not have any funding. From figure nine, we can see the structure of funding for NGOs from 1990-1995.

The fund for NGOs from 1990 to 1995

0
8%
40%
52%

- Fee from service providing
- Fund from Government
- Donation
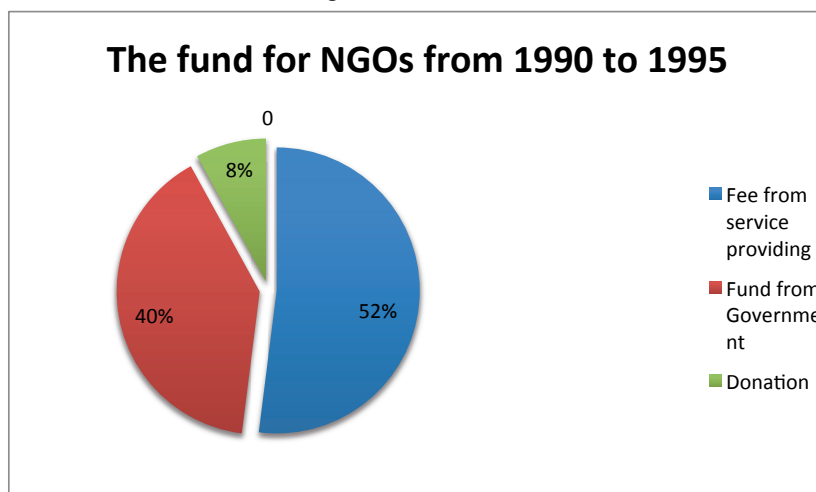
Figure 9: Data from Comparative study in Non-profit department of John Hopkin, 1997.

When it comes to the operation of grassroots NGOs in China, we find that their ways of operating are very simple, similar to the first or the second stage in Xinyuan's development. As detailed above, such models face a myriad of different challenges under the contemporary Chinese system.

The new model from the case of Xinyuan is very good for dealing with problems relating to funding, human resources and knowledge. From Figure 8 above, we see that the new model of grassroots NGOs is not only to get money from society, but

also get support from other grassroots NGOs, supporting projects and the government. But most important is the fact that funds are not only used for projects. They are also investing some funds into sustainment projects.

The case of Xinyuan (Figure 8) can be a good inspiration to develop grassroots NGOs in China. Different from the traditional model showed in Figure 7, this new model includes enterprise operation, which may provide enough capital, human resources and knowledge to solve the problems of the traditional model.

5.3 What can other Grassroots NGOs learn from Xinyuan?

5.3.1 Improvement of the Legislative Environment for Grassroots NGOs in China

The Limit and Innovation of Registration and Management System

In 2002, the Ministry of Civil Affairs Authority began to actively cooperate with the State Council Legislative Affairs to amend regulations on social organizations registration and administration. The foundations for management approaches and other policies and regulations were actively developed by the relevant supporting regulatory measures. Local governments continued to explore innovative management systems.

The registration of China's NGO is high-threshold; the management system lacks appropriate supervision. The core principle is the dual management system, which means that registration and management are handled by two different auditors. A dual responsibility, the principle of double regulation; with the parallel system requirements include the classification management principles, a non-competitive principle, and restrictions on branch principle. These principles left the traces of the administration under the planned economy taken by the Government on Social Affairs,

which restricts the independent development of grassroots NGOs. I think elimination of these restrictions will be a breakthrough for the development in NGO's registration and management.

These problems have been recognized and there are several possible dimensions for improvement and breakthrough including the amendment of the laws and regulations, the pilot innovation management system in some key areas, such as industry associations.

At the level of central government, the regulation on the registration of associations and private non-enterprise units, has the dual management system, it is an important issue needs to be discussed and considered amending, even put forward to abolishing the system of dual control, despite the modification of the regulations is not yet clear. However, the central government's attitudes and perceptions decide the breakthrough of the dual management system has been operable.

In this consensus, Shanghai government leads in innovation. At the end of 2000, the General Office of Shanghai Municipal government office, the Municipal Civil Affairs Bureau and City Bureau of Societies approved the statues of city association, and private non-enterprise units registered as business unit. It is a break through of the constraints in the access threshold. In 2002, Qingdao began the filing system in pilot NGO within the community, which is grassroots NGOs need stringent vetting procedures for the eligibility of activities.

In February 2002, the Industrial Development Agency was founded in Shanghai. This Agency, affiliated to the Shanghai Government, separates the agency business from industrial business. Aiming to properly manage the various industrial associations, the Development Agency needs transfer its role to the so called "Triple Management" model, which refers to restrict the previous model that the profits were carved up between the different offices in government. Based on the existing laws and

regulations, the management affairs are dealt with within the Development Agency. In August, 2002, the Institution of Development Agency was founded in Mianyang, Sichuan Province. This can be a trial of concentrative management model. In Weizhou of Zhejiang Province, Anshan of Liaoning Province, such attempt was also taken to achieve a non-government model. The government offices are trying to put authorities down upon some associations. For example, the Industrial and Commercial Association of Wenzhou, and the Industrial and Trade Association of Anshan, are served as the business management sectors to run various industrial associations. Therefore, this is an attempted step for civil and non-government organizations registration system.

5.3.2 The Cultivation of Talent in Grassroots NGOs

Volunteer

The good experience from Xinyuan is using more talented volunteers from various industries; even grassroots NGOs often tend to use few staff to handle administrative matters. Xinyuan inspire volunteers to improve their professional capacity in the voluntary action, which they attach great importance to the system and performance assessment, even it is only a small community consultation. And these professionals will be in accordance with the convention of enterprise to plan and discuss the assessment, which the effort is better than full time staff in grassroots NGOs. Besides, they also found that organizational issues and attempt to resolve this lack of talent in grassroots NGOs. This case of Xinyuan allowing professional volunteers to join is increased significantly in capacity building.

Xinyuan told us that grassroots NGOs should recruit a large number of volunteers at the beginning, then create good system for further learning for full-time staff. The professional volunteer is good choice for grassroots NGOs in the shortage of fund. Many volunteers are used to go to Beijing and other places involved in training and

purchasing data, but they discovered that different local conditions and local knowledge needed to sum up during work and production. For low-cost operation, they had to devise strategies to stimulate their own potential. In order to survive under the great pressure, they pay more attention to the investigation to obtain local knowledge so that they continue to learn all sorts of knowledge. Relying on the expertise and information to obtain the power of negotiation and mediation between stakeholders is important.

Professional

Building a training system is also a good experience from Xinyuan for development of professional in grassroots NGOs, which provides a more attractive career for staffs. The training for the professional manager in grassroots NGOs is good way to work out the dilemma for human resource and ability, which make people who want to be a part in grassroots NGOs have a better vocational planning.

The other way is enterprise collaborating with NGO for carrying out a number of talents innovative cultivation. The first thing NGO should do is looking for some partner from enterprises. If the enterprise can support some human cost, such as wages, social insurance and training, most of NGOs only depending on project for survival do not have to save the money from project funding. If NGOs do not have to worry about their human cost, they can have more capitals for staff development and capacity building.

More and more people put attention for the cultivation of professional in NGO. For example, a 500,000 RMB project organized and operated by professionals can make this project get social influence like 750,000 RMB, even one million projects does. So, the importance of professional cannot be neglected.

5.3.3 Diversification of Funding

When it comes to the dilemma in funds, grassroots NGOs do not have many channels for acquisition. As mentioned before, many grassroots NGOs only have a way for getting money, which is foreign aid. And lots of volunteers without remuneration make grassroots NGOs save more fund-raising time for wages and spend more time on the operation of the project. Xinyuan's strategy enables them to overcome financial difficulties and talent difficulties. Zero-cost or low-cost strategy design and organizing work makes grassroots NGOs focus on activities more than fund-raising.

Besides, applying fund for social entrepreneurship is an innovation way of Xinyuan, which help Xinyuan to achieve capital chain loops. It is also a way for prevention from fund-raising shortage. It could not be working for every grassroots NGOs due to few funds for social entrepreneurship in China. Seeking support from government can be a more accesible funding. Positive interaction between NGO and government relations should be the best. Government fosters the development of NGOs; NGOs provided more and more social services and government purchase these services. At the same time, government standardizes the development of NGOs instead of restrictions, which would not cause government and NGOs in conflict. I think some NGOs should maintain good relations of cooperation with the government, particularly service-oriented NGOs, while NGOs can be more independence. The funding sources in NGO should be diversified, and this is very helpful for maintaining independence.

5.3.4 Operation Sunshine

The plight of the trust is also the main problem of grassroots NGOs, especially trust between members within grassroots NGOs. Normally the corruption of the privileged with exclusive right leads to the organization collapse. But Xinyuan is an exception. The reason is that staffs are from unpaid volunteer within grassroots NGOs, which do

not have to compete for resource and power. Besides, for full-time staff in Xinyuan, they have chance to learn and receive professional training, which is for long-term development in career and good for the development of grassroots NGOs.

On the other hand, Xinyuan stressed that direct contact with and serve the people. They emphasize constantly practical service in long run, which makes them easy to get the trust of community residents. This relationship of trust is through the exchange of volunteerism and the spirit of volunteerism for the formal the NGO. It is rather easy to implement.

Last but no the least, "finances fully transparent" principle is the reason why Xinyuan have good trust in society. The project funding will be fully in accordance with the budget execution, and cannot be "saved" project funds for other purposes.

5.3.5 Summary

Of course, the history for development in grassroots NGOs told us that the big problem for grassroots NGOs is very hard to become bigger. How can we do? This is more common question during interview with grassroots NGOs in China. Governmental NGOs are huge bureaucratic organization, in fact, the characteristics of modernity does not really contribute to the change of the social problems they claimed to be solved. Now, grassroots NGOs is very fragile in China and even in the stage of fend. But every coin has two sides. These grassroots NGOs have stronger spirit of volunteers, which beyond the plight of grassroots NGOs. Some grassroots NGOs also have the same plight as other grassroots NGOs, but they draw good development strategies for overcoming these plights. More importantly, promoting citizenship training is a right way. Richard Weller (1999) pointed out that strong democratic state and market individualism; modernity did not destroy the public organizations. These parallel organizations under state control are always there. He pointed out that these organizations and movements do not mean the reproduction of

"civil society", but still be able to provide for the democratization of the power of social capital. The grass-roots volunteer organizations should be a kind of civic organizations. Robert Puttnam (1993) thought the same democratic system in different places have different effects, not only because of the government itself, but also depends on the local civic community that how many numbers of citizens and organizations actively involved in public affairs. From the theory of collective action of these civic organizations and individuals constitute democracy, social capital, this social capital, including a network of citizen participation, generalizes reciprocity norms and mutual trust. This collective action enables people to participate in social and public affairs due to capital (Puttnam 1993). From the grassroots NGOs, we can see that they may not become the major groups of Chinese society, but in local communities. They will form the basic strength of civic community and nurture civil society for building social capital.

CHAPTER SIX

CONCLUSION

This chapter is the curtain of this work and the conclusion of the findings. Besides, This I provide suggestions for future research.

This paper addressed the question what are the main obstacles to the development of grassroots NGOs in China. This thesis focused on finding out whether examples of best practices exist where many obstacles to the development grassroots NGOs exist. Some grassroots NGOs, such as, Loving House, Green Store and Grassroots Home are leading grassroots NGOs in Eastern China. They have great influence on promoting the development of Chinese's public utilities. This study, however, has found that these grassroots NGOs could do nothing when it conflicts with nation's rule. The Chinese government lacks mechanisms to make grassroots NGOs grow up healthy, despite being the main shareholder of the grassroots NGOs. Furthermore, some NGOs are operating within a close relationship with the government, but fail to carry out the Chinese government's initiatives of supporting NGO development in China. So, it is true that grassroots NGOs depends on developing self-reliantly if its want to makes an effort to promote the development of Chinese's civil society. The operation of Xinyuan is taken as a case in this regard.

According to the 'Theory, Problem, and Remedy' framework that ascribes dilemmas in grassroots NGOs development regarding legislative environment, human resources, funding, trust and capability, Xinyuan's experience in Eastern China is recommended as a good practice. Loving House, Green Store and Grassroots Home have failed to develop through theirs own efforts. These grassroots NGOs performance is found due to many factors. These grassroots NGOs did not find out a suitable way for

themselves. In a nutshell, some grassroots NGOs seem indifferent in some cases to Chinese civil society. Xinyuan on the other hand has maintained its good operation for self-organization and has contributed to influence other projects in China, and hence has had a positive spillover effect.

A crucial question in my thesis is how trustworthy these findings are. Several factors might have influenced the results of this particular study. First is the choice of method. Case study research method was selected to contribute with descriptive inference. The qualitative interviews enabled this work to get comments and statement related to some developmental dilemmas from grassroots NGOs and Xinyuan's experience. The method is considered useful for answering the research questions, as interviews are an appropriate method for acquiring experience.

Then, choosing grassroots NGOs from Eastern China as research area of this work might have impacted the results. Studying grassroots NGOs in Eastern China was considered useful because of the various development challenges they face, but also for attractiveness to the economic situation of Eastern China. Another factor about Eastern China that could have affected the results is the regional differences. Grassroots NGOs in this work is selected from big cities in Eastern China. The situation of grassroots NGOs may be different if they were located in small cities or in the countryside.

Last but no least, the third factor is generalization. In case study research in general, the cases are not representative to a population. In other words it is not possible to generalize the conclusion of this study to the population of grassroots NGO in Eastern China based on the four selected cases. The thesis has, however, provided valuable insights into what these selected grassroots NGOs face of developmental dilemmas as well as getting in-depth knowledge about the Xinyuan's case. To find out whether we can generalize anything form this thesis, we must see whether the findings of this work can be analytically generalizable to the theories on the development of NGO

and civil society. The case of Xinyuan confirmed that their model is a highly effective model for operating grassroots NGOs in Eastern China. When measuring the project that Xinyuan have done and outcome the case of xinyuan are assessed at high-effectiveness. Xinyuan do not promote the development of civil society and grassroots NGOs in China, but it play a important role for the development of grassroots NGO in Eastern China. Xinyuan is good example for grassroosts NGOs solve challenges from legislative environment, human resource, funding, trust and capability.

The insight generated from this work has implications for further research on the impact the government has on development of grassroots NGOs. I recommend that more research about grassroots NGOs in Eastern China be made and one looks for some good model of experience for grassroots NGOs, which will be good way to change the situation of big government and small people in China. The development of grassroots NGOs will promote the advent of civil society in China. Besides, the comparative study in grassroots NGOs between south and north will also be valuable.

REFERENCE

Alan, B., 2008. *Social Research Methods*. 3rd ed. Oxford: Oxford University Press.

Ben, E., 1986. *Interviewen; theorie, techniek en training*. Groningen: Wolters-Noordhoff.

Berg, B. L., 2007. *Qualitative Research Methods for the Social Sciences* (6 ed.). Boston, New York: Pearson.

Beja, J. P. A., 2004. *la recherche d'une ombre chinoise*. Paris: Ed.du Seuil.

China Statistics Yearbook., 1994. China Statistics Pressing.

Cohen, J. L & Arato, A., 1992. *Civil society and political Theory*. London: The MIT Press.

David, H., 1987. *Model of Democracy. Stanford*. Calif. Stanford University Press.

Friedrich, E., 1973a. *On the history of the Communist League*. K.Marx and F. Engels, Selected Works, Volume 3, Moscow.

Friedrich, E., 1973b. *Ludwig Feuerbach and the end of classical German philosophy*. K.Marx and F. Engels, Selected Works, Volume 3, Moscow.

Georg, W, F, H., 2007. *The Philosophy of Right*. Peking Press.

Gina, W., 2008. *The postgraduate research handbook succeed with your MA, MPhil, EdD and PhD*, 2nd ed. Basingstoke, Palgrave Macmillan.

Graham, G. W., 1994. Civil society, democratization and development (I): Clearing the analytical ground. *Democraization, 1(3). pp, 375-390*.

Hisayo, K & Richard, G, W (Eds). 2006. *Civil Society Reconsidered: A Critical Look at NGOs and Development in Practice*. Helsinki: University of Helsinki, Institute of Development Studies.

Howell, J & Jenny, P., 2001. *Civil Society and Development*. London.

Ian, S., 1995. *The Alms Bazaar: Altruism under fire Non-profit organization and international development*. London, IT Publications.

Jeffrey, W., 1994. *Popular Protect and Political Culture in Modern China. Boulder*. CO: Westview.

Jiangang, Z., 2004. The grassroots NGO and the development of Chinese's civil society. *Open Times*, (6), pp. 36-47.

Jun, L., 2008. Ethical Challenges in Participant Observation: A Reflection on Ethnographic Fieldwork. *The Qualitative Report*, 13(1), pp. 100-115.

Jurgen, H., *1989. The Structural Transformation of the Public Sphere: An Inquiry into a Category of Bourgeois Society*. Cambridge, MA: MIT press.

Jurgen, H., 1998. *Faktizitat und Geltung. Beitrage zur Diskurstheorie des Rechts und des demokratischen Rechtsstaats*. Frankfurt am Main: Suhrkamp.

Jurgen, K., 2003. *Zivilgesellschaft- national and transnational*. WZB-Jahrbuch, Berlin.

Kees. B., 1999. *The Politics of Civil Society Building*. International Books, Utreche, and the Transnational Institute, Amserdam.

Lacey, C. 1976. "Problems of Sociological Fieldwork: A Review of the Methodology of 'Hightown Grammar'", in Shipman, M. (Eds), *The Organization and Impact of Social Research*. Routledge and Kegan Paul, London.

Lawrence, S., 1990. *'The Emergence of Civil Society in China, Spring 1989,' in: Tony Saich, The Chinese People's Movement: Perspectives on Spring 1989*. Armonk, NY: M.E. Sharpe, pp. 126-144.

Lucian, P., 1991. Political science and the crisis of authoritarianism. *American Political Science Review*, 84(1): 3–19.

Michael, B. 2006. NGOs and the search for Chinese Civil Society Environmental Non-governmental Organizations in the Nujing Campaingn. *Working Paper Series NO.422 in an ISS MA Research Paper.*

Michael, E., & David, H., 1996b. *Beyond the Magic Bullet*. Kumarian Press, West Hartford, Conneticut.

Ming, W., Guohan, L and Jianyu, H., 2001. *Reform in Chinese's Organization: from government to society*. Social Sciences Academic Press.

Qiusha, M., 2006. *Non-Governmental Organizations in Contemporary China: Paving the way to civil society?* Routledge.

Raymond, O., 2006. Advantages and Disadvantages of Four Interview Techniques in Qualitative Research. *Forum Qualitative Sozialforschung / Forum: Qualitative Social*

Research, 7(4).

Richard, B.,& Shevchenko, A., 1999. *The "State of the State", in: Merle Goldman and Roderick MacFarquhar, The Paradox of China's Post Mao Reforms.* Cambridge, MA, Harvard University Press.

Richard, W., 1999. *Alternate Civilities: Democracy And Culture In China And Taiwan.* Westview Press.

Robert, P., 1993. *Making Democracy Work: Civic Traditions in Modern Italy.* Princeton: Princeton University Press.

Robert, P., 1993. The prosperous community: social capital and public life. *American Prospect*, 4:13.

Robert, Y., 1994. *Case study research: Design and methods.* 2nd ed. Beverly Hills, CA: Sage Publishing.

Roger, H., 1980. The ethics of covert methods. *British Journal of Sociology*, 31, pp. 46-59.

Rubin, H. J., 2005. *Qualitative Interviewing, the Art of Hearing Data* (2 ed.). Thousand Oaks, London, New Delhi: SAGE Publications.

Salamon, L, M & Anheier, H, K., 1997. *Defining the Nonprofit Sector: A Cross-National Analysis.* Manchester University Press.

Silverman, D., 1994. *"Analysing Natural-Occurring Data on AIDS Counselling: Some Methodological and Practical Issues", in Boulton, M. (ed), Challenging and Innovation: Methodological Advances in Social Research on HIV/AIDS.* London:

Taylor and Francis.

State Council., 1998a. *The arrangement for Registration administration of private non-enterprise units for advances the development of social organizations*. State Council Information Office.

State Council., 1998b. *The arrangement for Registration administration of private non-enterprise units for advances the development of social organizations*. State Council Information Office.

Steiner, K., 1996. *Interview: An Introduction to Qualitative Research Interviewing*. Thousand Oaks, Califormia: Stage Publications.

Tang, T., 1967. "Revolution, Reintegration, and Crisis in Communist China: a Framework for Analysis." in: Ho, Ping-ti & Tsou (ed). *China in crisis*. V.1 Book 1. Chicago: University of Chicago Press, pp. 277-364.

Tove, T., 2003. *Systematikk og innlevelse: en innføring i kvalitativ metode*. Bergen: Fagbokforl.

Wee, G., 1950. *Social Science Research Methods*. Ann Arbor, University Microfilms.

Willam, R., 1984. *Hankow: Commerce and Society in a Chinese city 1796-1889*. CA: Stanford University Press.

Xinjin, J., 2006. *The Development and Situation between Chinese Civil Society and NGOs*. Tsinghua University Press.

Yasheng, H., 2008. *Capitalism with Chinese Characteristics: Entrepreneurship and the State*. Cambridge University Press.

Yikun, X. 2002. *The Relationship between the Third Sector and Government.* Hubei Publishing.

Yiyi, L., 2009. *Non-Governmental Organisations in China*. Routledge.

Yiyin, L. 2005. *Environmental Civil Society and Governance in China*. Chatham House.

Yongnian, Z& Joseph, F., 2008. *China's Opening Society: The Non-State Sector and Governance.* Routledge.

Zhenglai, D., *1994. Examining China development studies: also discussing China's civil society researche*s. Modernity and Tradition, pp. 21-27.

APPENDICES

Appendix A: Interview Guide for Staff in Three Grassroots NGOs.

Background: Personal Information

Age:

Gender:

Level of education:

Organization:

Position:

Respondents from Loving Home, Green Store and The Grassroots Home.

1. What is grassroots non-governmental organization (NGO) from an organizational perspective?

2. What are differences between official NGO and grassroots NGO?

3. What are common difficulties for working grassroots NGO in China?

4. In particular, how you deal with it? Is it in operations?

5. How can you overcome the difficulties?

6. On your opinion, what is civil society?

7. Does civil society exist in China?

8. What is relationship between civil society and the development of NGO?

9. Are there different strategies working with dilemma in grassroots NGO under Chinese's civil society?

Appendix B: Interview Guide for Staffs in Xinyuan.

1. The staff in employment

    1.1 Number

    1.2 Age

    1.3 The level of education

    1.4 Appointing mechanism

    1.5 Whether professionally trained or not

2. The source and purpose of fund

    2.1 How many kinds of sources, proportion in source, change scope per year?

    2.2 The purpose of fund

    2.3 Is it openness and transparency for the purpose of fund?

    2.4 Does it have oversight mechanism?

3. The relationship with government

    3.1 Registration authorities

    3.2 Operating responsible institution

    3.3 Self-assessment and the relationship with government

4. The performance in project

    4.1 Number

    4.2 Distribution areas

5.The targeted object in service

6. The cooperative institution

    6.1 The definite of cooperative institution

    6.2 The range of cooperative institution

7. What are main dilemmas for development? Perspective from these aspects.

    7.1 Law

    7.2 Human resource

    7.3 Fund

    7.4 Trust

    7.5 Knowledge

8. What are advantages of operation model in Xinyuan if comparing with other grassroots NGOs from Eastern China?